The Business Value of Collaboration 2009

Best Practice, Benefits, Costs and Risks

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With Industry Perspective from PleaseTech
This Business Value report discusses the business and organizational issues a technology raises. We avoid buzzwords and unintelligible jargon wherever possible, and favour a straightforward discussion of costs, benefits and risks. If you would like to be notified of future reports in this series please go to our web site and register.
Management Summary

Collaboration is nothing new. We’ve always done it in all domains of our experience. What is relatively new is the use of software systems to support the collaboration process, and the facilitation of new forms of collaboration. When talking of collaboration in a business environment it is useful to categorise according to the level of formality involved. More formal environments such as project management require fairly rigid adherence to a set of pre-defined processes, while knowledge sharing environments might involve nothing more than email and the use of search technologies.

It has been our experience that the big payoffs from collaboration occur when external agents are involved. This typically means collaboration with trading partners, and specifically customers and suppliers. A major new product development project will often benefit from close collaboration with suppliers, while a new marketing campaign might benefit from collaboration with channels and resellers. We have direct knowledge of large corporations that won significant business simply because of the transparency and insight that collaboration provided to key customers.

More recently a new generation of collaborative tools have evolved which support coordination of activities via a web based service. This has the advantage that participants do not have to install specialised software or be linked in to a particular network. Access is through a web browser - anywhere and anytime. Clearly not all collaboration activities can be accommodated by generic tools of this nature, and use of very specific applications may be necessary. Either way the capabilities provided by the technology are broad and will accommodate almost any need.

The benefits associated with collaboration must ultimately translate into improved performance - however that is measured. For most organisations the benefits must include reduced costs, increased revenue, additional capability and the creation of new opportunities. Collaboration is capable of delivering all of these, although there are pitfalls that should be avoided. Perhaps the most common pitfall is the attempt to over-formalise collaborative environments that are essentially informal. Research has shown that knowledge workers do not derive benefits from collaboration systems that are top heavy with process. The same research also shows that the costs of setting up formal environments for knowledge workers can be greater than the benefits that are derived. Attempting to make people ‘share on demand’ is not a very good idea.

Perhaps the most significant factor affecting the success of collaborative activities is company culture. Highly competitive, political environments are unlikely to benefit from collaboration initiatives. People will generally be unwilling to share, and any attempt to force sharing by imposing rewards based on a measure

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(number of articles contributed for example) will just result in abuse of the system. This is the primary reason that collaborative knowledge sharing has been so hard to implement. Changing company culture is no small undertaking, and simply may not be possible. In such a case it is best to seek out areas where collaboration has few political implications.

It is worth pointing out that collaboration has taken on a central theme in some of the world’s largest corporations. Jack Welsh made it a central theme of his strategy for General Electric and the company benefited accordingly.

The main broad categories of collaboration are:

- **Collaboration management tools** - workflow, project management, knowledge sharing, calendars.
- **Conferencing tools** - video conferencing, instant messaging, data conferencing, and the humble telephone.
- **Communication tools** - email, synchronous conferencing, wikis and voice mail.

In the current economic environment conferencing tools are proving to be especially attractive. Fortunately this is an area where developments are happening at a very rapid pace. Web based facilities mean that any number of participants can engage in a conference through the web browser. At the leading edge of this is the creation of 3D environments where participants can meet in a ‘virtual’ environment and exchange documents, presentations, chat and whatever else might be required to make the meeting productive.

The economics of collaboration are fairly straightforward. We wish to reduce the costs involved in communication and coordination while at the same time opening up new opportunities. Collaboration technologies will deliver these benefits provided the nature of the communication is understood and systems provide the appropriate level of formality.

**Benefits**

The benefits of using collaboration technologies are not hard to identify. Many meetings, which involve travel, accommodation, time out of the office and so on, can be conducted without these costs if appropriate collaboration technologies (specifically conferencing tools) are used. Knowledge workers (around seventy per cent of the working population) can easily identify useful documents, exchange information, pool efforts and avoid reinventing the wheel using collaboration management tools and communication tools. Suppliers can be better informed and coordinate their efforts more effectively, and customers can communicate needs and be informed of progress much more effectively through collaboration.

We have seen new business opportunities created through the use of collaboration technologies. Businesses that are involved in large projects can

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establish a much more intimate relationship with customers through the sharing of information. This not only improves current business operations, but can, and does create new business opportunities.

The main benefits associated with collaboration can be summarised as:

- Reduced costs associated with meetings, information sharing and process coordination.
- Creation of new opportunities – particularly with customers and suppliers.
- Faster response when groups of information workers need to collaborate.
- Less likelihood of mistakes when collaboration supports well defined processes.
- Greater transparency and accountability.

**Costs**

Compared with many IT investments the costs of setting up collaboration systems will be relatively modest, and yet the benefits can be profound. The technology costs can be very low, particularly when a web based service or open source software is used. Even when these cannot deliver the desired functionality software costs will still be quite low. The most significant costs are associated with the more formal collaboration environments where security, process management and more sophisticated software are often needed. It is quite common to see management attempting to over-formalise collaboration systems, which increases set up costs, and will often make the basic economics unfeasible.

The main costs can be summarised as:

- Software costs – which may be very small – less than ten per cent of the overall system cost.
- Design and setup costs depend on the formality of the collaborative effort. It pays to start with a relatively informal environment and add formality as needed.
- IT support costs – which will vary with the level of security, network setup and availability required.
- Opportunity costs – where collaboration requires extra effort from information and knowledge workers, the opportunity cost can be quite high (as detailed in a recent article in Harvard Business Review).

**Risks**

The main risk associated with collaboration is that of over-formalisation. Collaboration becomes a burdensome effort if management use it as a process control tool. The failure of knowledge management systems is a clear example of this, where knowledge workers were expected to share knowledge (on demand) and metrics created. There are of course other risks, and not least that of sharing sensitive information.
The main risks associated with collaboration systems are:

- Over-formalisation - making the systems very unattractive to users.
- Lack of adequate security to protect sensitive information.
- Excessive collaboration overheads.
- Collaboration becomes an end in itself.

Risks can be reduced quite considerably by using web based collaboration tools for prototyping. If the tools fit well they can be adopted on a permanent basis. They will at least allow managers to get a feel for what is possible for a very small cost.

**The Technology**

A very diverse set of technologies come under the collaboration umbrella. However they can be categorised to some extent in the following way.

**Videoconferencing** is a well established technology and needs little explanation. Web based conferencing supports most of what traditional videoconferencing provided but with the ability to share documents, and particularly presentations.

Under the heading of **data presentation** comes the ability to share ideas using various forms of input – keyboard, mouse, sketch pads, camera for example. This allows documents of various types to be manipulated in real time by participants.

**E-calendars** support the coordination of group activities and online spreadsheets support simultaneous contribution to the relevant activities.

**Application sharing** allows multiple users to perform actions such as work on a document or presentation simultaneously.

**Workflow systems** represent the more formal aspects of collaboration, facilitating the specification of processes that must be executed in the production of an information item (e.g. document, form, plans etc.).

**Knowledge management systems** support the sharing, contribution, organisation and management of a knowledge pool. As we have already pointed out, these are best offered as a resource with few, if any metrics or associated controls.

**Project management** tools allow people to coordinate activities and work effectively from remote locations.

We shouldn’t omit technologies such as instant messaging and the new social networking platforms such as Facebook and LinkedIn. These provide a fairly informal (and free) environment for people to collaborate on an as needed basis.

**The Future**

The overriding development that will shape collaboration technologies is the emergence of collaboration systems that are offered as a service on the Internet (Software as a Service). There are many suppliers already offering such a
capability and it provides a low cost, low risk introduction to the powers of collaborative techniques.

As more people work remotely – particularly from home – so collaboration tools will see rapid adoption. They allow remote workers to share in a manner that was only possible by being physically present.

No one should underestimate the power of collaboration systems to transform the efficiency with which people work and processes are executed.
The Business Value of Collaboration

PleaseTech

Collaborative Document Review and Authoring

The Document Review Problem

Documents produced by businesses are usually the result of a collaborative process involving input from multiple authors and/or multiple reviewers. The document production process is business critical yet is frequently chaotic causing pain, frustration and a considerable amount of wasted time. Streamlining this process represents a low cost ‘quick win’ which is exactly the type of project required in today’s cash strapped environment.

Document owners still frequently carry out the review by emailing the document to the review participants and asking for their comments and proposed changes. Since reviewers are operating in isolation, there is duplication of effort in identifying document changes and no easy mechanism for resolving conflicting mark up. Conferences calls waste everyone’s time and multiple review cycles impose an additional burden on pressurised individuals.

The intricacies of MS Word’s ‘track changes’ or the PDF ‘mark-up’ facility cause ‘training challenges’ which do little to assist authors who spend hours consolidating comments from multiple versions of the document. They then have to resolve the disparate views that inevitably arise. And let’s not even mention the ‘technical’ nightmare of trying to eradicate different Word formatting styles that may have crept into the document during the review process.

A master ‘collaborative’ repository is a step in the right direction but it still only solves some of the problems. Such repositories operate at document level and do not facilitate collaboration ‘inside’ the document. Users still email documents around or have to download/upload copies. This makes it a serial process or creates multiple versions of the document which are difficult to manage and control.

Here’s a light hearted look at some of the problems document review creates, starting with email isolation. Do you recognise them?
Email Isolation

Teleconference Confusion
After the first review cycle, the review owner frequently has to call a teleconference or review meeting to resolve conflicting comments and changes in the document. Organising this is often difficult and time consuming. Furthermore, it introduces delay into the elapsed time for finalising the document as finding a slot everyone can make is never easy. Key participants may fail to show up and much of the conference call may not apply to all attendees so they get distracted. Does this cartoon resonate with your experience?
The PleaseReview Approach

PleaseReview is specifically designed to make the document production process less painful and much more efficient. It provides a unique document co-authoring and review environment which delivers a cost effective, comprehensive software solution for collaborative document creation with a clear return on investment. The document owner creates a review (which can contain multiple documents) and invites participants to the review. Some key features are:

- Everyone can always see exactly the same document and work on it simultaneously (either in ‘real time’ or asynchronously);
- Participants see each other’s comments and proposed changes and can respond to other users’ comments or changes. This removes the duplication of effort and enables conflicting views to be identified and resolved during the review cycle – not at its end;
- The document owner (or other designated users) can accept or reject comments and changes as the review progresses;
- The process is controlled, recorded (with full reporting and audit) and easy to use;
- Email is used for notification (and not for distributing documents).

At the end of the review the document owner receives a document with consolidated comments and changes thus saving hours of laborious cutting and pasting and comment consolidation. There is also a complete record of ‘who said what’ to each part of the document and what happened to all the proposed comments/changes. A new streamlined review process using PleaseReview might now look something like this.
Please look at the business case towards the end of this article for details of the savings made with PleaseReview. PleaseReview also enables documents to be co-authored.

The Co-Authoring Problem
A document may be made up of sections from a variety of contributors. For example, the document starts life as a template which requires input from different departments. The ‘traditional’ way co-authoring has been handled is via the ‘cut and paste’ technique. Does this cartoon ring any bells?

Online co-authoring tools
In the last few years a number of online tools have emerged which address co-authoring. Although at first glance these may appear to solve some the problems described above, they are in fact the ‘wild west’ of co-authoring.
There has to be a better way ..........

**Co-Authoring with PleaseReview**

PleaseReview supports the controlled, co-authoring of Word documents. The document owner has complete control over "who can do what to where" in the document. PleaseReview supports Word structures and styles are centrally controlled. So a PleaseReview solution looks like this...

This powerful single process co-authoring and review capability delivers higher quality documents more quickly with minimum stress.

**Summary of Other Features and Benefits of PleaseReview**

- PleaseReview is a simple point and click user environment which minimises training requirements;
- The review process is controlled through pre-determined deadlines, with email invitations and automatic reminders;
- PleaseReview can be used to review Word documents, PowerPoint slides, PDF files and images;
- As a predominantly browser based solution, PleaseReview removes all version compatibility issues and plug-in installation and management issues;
- PleaseReview accommodates offline review for users who are not able to access the system in real-time;
- PleaseReview is available on a stand-alone basis, or integrated with content management systems such as SharePoint;
- PleaseReview resides inside the firewall yet provides capability for ‘external to the firewall’ collaboration in a secure way.
PleaseReview ensures that participants can concentrate on the document’s content rather than fighting the technology. PleaseReview makes the process less painful, more efficient and significantly reduces the associated costs.

The Business Case for PleaseReview
PleaseReview delivers tangible business benefits by reducing the cost of document review as a result of:

- Less time spent by staff on each document review;
- Fewer edit/review cycles being required;
- Fewer mistakes by staff (e.g. commenting on the wrong document);
- Automatic change reporting which can substantially cut down or eliminate time spent in preparing document change reports; and
- Automated metrics capture to streamline the process.

Client case studies demonstrate that the elapsed time of document development can be readily reduced by 65%, with typical savings of 35% in ‘person hour’ costs. Furthermore, PleaseReview is a ‘light touch’ system which has very low user training requirements and an extremely low maintenance overhead. Intangible benefits include the delivery of higher quality documents in a significantly reduced timescale which, in turn, reduces project timescales.

PleaseReview Customers
PleaseReview is a mature software product initially released in 2005 with thousands of happy users worldwide. It is used by organisations across a wide range of industries including life sciences, financial services, IT, defence, legal and utilities. It has a global client base with clients in the UK, USA, Europe, South Africa, Japan and Australasia.

Contact
PleaseReview is provided by PleaseTech Ltd, a software products company specialising in document and content automation technologies. PleaseTech offers unique software solutions for the collaborative review and authoring of documents and other content.

PleaseTech works on the premise that developing quality documents and content is a collaborative process which takes time and commitment. Its products are designed specifically for the corporate document review and authoring process and can integrate with corporate infrastructure such as document management, workflow and user management systems. PleaseTech has partnerships with many of the leading content management vendors and is a Microsoft Gold Partner. PleaseTech is private company owned by management and staff and is headquartered in the UK. It has a software development team in Kuala Lumpur, Malaysia and has a presence on the East Coast, USA.

For more information visit www.pleasetech.com.

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